

**Supplemental Reporting Document
Table of Contents
November 2005 Investment Committee Meeting
(September 2005 Reporting Period)**

Activity Reports

Alternative Investment Management (AIM) Program Activity Report
Risk Managed Absolute Return Strategies Program Activity Report
Real Estate Opportunistic Program Activity Report

B

Investment Office

P.O. Box 2749

Sacramento, CA 95812-2749

Telecommunications Device for the Deaf - (916) 795-3240

(916) 795-3400 FAX (916) 795-3344

November 14, 2005

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Activity Reports
- II. PROGRAMS:** Alternative Investment Management (AIM)
Risk Managed Absolute Return Strategies (RMARS)
Real Estate Opportunistic (REO)
- III. RECOMMENDATION:** Information only
- IV. ANALYSIS:**

Staff from AIM, RMARS, and REO are required to report the status of investment proposals received by their respective program on a monthly basis. Staff from these areas have prepared activity reports for the month of September 2005.

V. STRATEGIC PLAN:

Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

Members of the Investment Committee
November 14, 2005
Page 2

VI. RESULTS:

Attached are results containing the status of investment proposals received by AIM, RMARS, and REO.

Greg Hood
Division Chief, Investment Office

Anne Stausboll
Assistant Executive Officer

Mark Anson
Chief Investment Officer



***** OPEN SESSION MATERIAL *****
AIM PROGRAM
SUMMARY MONTHLY REPORT: PROPOSALS IN PROCESS
REPORT PERIOD: 9/1/2005 TO 9/30/2005

| ACTIVITY SUMMARIZED | ACTIVITY FOR REPORT PERIOD | 2002 | 2003 | 2004 | 2005 YTD | Since Program Inception |
|---|-------------------------------|---------|---------|-----------|-------------|----------------------------|
| <u>INVESTMENT ACTIVITY</u> | | | | | | |
| Investment Proposals Received | 28 | 251 | 298 | 381 | 224 | 5689 |
| Declined/Referred/Failed to Materialize | 47 | 260 | 206 | 223 | 328 | 4491 |
| Deals in Screening | 83 | 251 | 298 | 397 | 225 | 2702 |
| Due Diligence Reviews | 27 | 17 | 25 | 65 | 42 | 488 |
| <u>AMOUNTS (\$ in millions)</u> | | | | | | |
| Authorized | \$200.0 | \$531.0 | \$995.0 | \$1,697.5 | 3668 | \$27,076.3 |

Notes:

- Current YTD information is through the end of the report period.
- Deals in Screening and Due Diligence reviews for the activity report period represent deals remaining in Screening and Due Diligence at the end of the report period. For all other time periods, deals in Screening and Due Diligence represent deals which entered Screening or Due Diligence during that time period.

September 2005

| MANAGER ACTIVITY | 2001 | 2002 | 2003 | 2004 | 2005 | Since Program Inception |
|---|------|-------|------|-------|-------|-------------------------------|
| Information Received | 88 | 170 | 181 | 59 | 47 | 545 |
| Declined | 34 | 81 | 108 | 12 | 1 | 236 |
| Screening | 48 | 80 | 72 | 45 | 46 | 291 |
| Full Due Dilligence Review | 0 | 15 | 1 | 5 | 16 | 37 |
| Approved by ARS Board | 0 | 13 | 1 | 5 | 16 | 35 |
| MANAGER AMOUNTS (\$ in millions) | | | | | | |
| Funded | \$0 | \$485 | \$95 | \$149 | \$503 | \$1,231 |

**Real Estate Investment Office
Opportunistic/International Fund Program
September 30, 2005**

| Fund Name | Product Type | Sector | | Allocation Committed | | Net Expected Return |
|---------------------|---------------------------|---------------|--|----------------------|--|---------------------|
| Stockbridge Fund II | Mix-Use/Various Value Add | Opportunistic | | \$50,000,000 | | 15-17% |
| Hollywood Park | Redevelopment Project | Opportunistic | | \$100,000,000 | | 17.0% |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | Total | | \$150,000,000 | | |